

Financial Reference Guide 2011

Procurement and Grants Office (PGO)

Dear Grantee:

It is my pleasure to introduce the Centers for Disease Control and Prevention's Grantee's Financial Reference Guide for Managing CDC Grants and Cooperative Agreements. As a CDC partner, you play an important role in helping the CDC achieve its mission of promoting health and improving quality of life. CDC's goals can only be realized when CDC and its partners work efficiently and cooperatively.

This Guide was developed to provide you with an effective tool for managing the business aspects of your Grant or Cooperative agreement. The Guide explains the financial processes in which you will be involved and provides references to enhance your understanding of the policies and requirement governing federal funding. We hope this Guide will aid you in successfully managing your grant or cooperative agreement.

The Guide is not intended to replace governing laws, statutes or regulations or the close relationship that should exist between you and your Grants Management Officer. Our grants management staff is always happy to help you with your funds management questions. It is our hope that the Guide will be another tool to help you determine your need and decipher the requirements.

As information changes, CDC will post updates to this Guide on the CDC website at <http://www.cdc.gov/about/business/funding.htm>. If you have suggestions for future revisions to the guide, please relay them to your Grants Management Officer at the Procurement and Grants Office.

Yours Truly

Alan Kotch

Director

Procurement and Grants Office



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Introduction

The Grantee's Financial Guide is based on established policies and regulations that are current as of the date of publication but does not replace established federal policies or regulations governing the administration of grants and cooperative agreements. Grantees are responsible for being aware of and abiding by all applicable statutes, regulations, principles and policies and for staying abreast of changes or issuances relating to the administration of grants and cooperative agreements. Grantees should read this guide in its entirety and periodically review the source documents cited in this Guide for changes and updates. Visit the Grantee's section of the CDC website at <http://www.cdc.gov/od/pgo/funding/grants/grantmain.shtm> for additional information.

Selected Laws and Regulations Governing Federal Awards

Administrative regulations prescribe the legal parameters for grantees accepting a federal government assistance instrument. By accepting a federal grant or cooperative agreement and then obtaining payments via that instrument from the Payment Management System (PMS), Grantees agree that they will adhere to all of the terms and conditions in the Notice of Award (NOA) and all applicable administrative regulations.

Understanding the grant and cooperative agreement administrative regulations can be a daunting task. For that reason, the terms and conditions of the NOA cover the requirements specific to the grant or cooperative agreement and the grantee is encouraged to read them carefully and request clarification from their GMO/GMS as needed.

Cost items are unique to the type of organizational entity (e.g., commencement and convocation costs are only applicable to universities). Specific costs are itemized and explained in detail in the appropriate OMB Circular.

The Office of Management and Budget issues OMB Circulars that provide grantee instructions and/or information. The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government. CFR Title 45, Department of Health and Human Services (HHS), contains the federal regulations applicable to HHS grants and cooperative agreements. August 31, 2005, OMB Circulars A-21, A-87 and A-122 were relocated to 2 CFR. They are Parts 220, 225 and 230 respectively. For a complete list of OMB Circulars, visit <http://www.whitehouse.gov/omb>.

The CFR sections that govern the administration of grants and cooperative agreements and the OMB Circulars by organizational type are presented in, Table 1.

Table 1: Applicable OMB Circulars and CFR Parts by Institutional Type

Grantee Type	Cost Principles	Administrative Requirements	Audit Requirements
<i>Institutions of Higher Education</i>	OMB Circular A-21 relocated <u>2 CFR Part 220</u>	<u>45 CFR Part 74</u> OMB Circular A-110 relocated <u>2 CFR Part 215</u>	<u>OMB Circular A-133</u>
<i>State, Local, and Federally-Recognized Indian Tribes</i>	OMB Circular A-87 relocated <u>2 CFR Part 225</u>	<u>45 CFR Part 92</u> OMB Circular A-102	<u>OMB Circular A-133</u>
<i>Non-profits</i>	OMB Circular A-122 relocated <u>2 CFR Part 230</u>	<u>45 CFR Part 74</u> OMB Circular A-110 relocated <u>2 CFR Part 215</u>	<u>OMB Circular A-133</u>
<i>Hospitals</i>	Title <u>45 CFR Part 74</u> , Appendix E	<u>45 CFR Part 74</u> OMB Circular A-110 relocated <u>2 CFR Part 215</u>	<u>45 CFR Part 74.26</u>
<i>Commercial Organizations</i>	<u>48 CFR 31.2</u>	<u>45 CFR Part 74</u>	<u>DCAA</u>
<i>Foreign</i>	As stated above for Grantee Type	<u>45 CFR Part 74</u> or <u>45 CFR Part 92</u>	<u>45 CFR Part 74.26</u>

Roles and Responsibilities

The Grants Management Officer (GMO) is the CDC Procurement and Grants Office (PGO) official responsible for the business management aspects of individual grant(s) or cooperative agreement(s). The GMO is the only official with the authority to obligate funds. He or she is the signatory on the grant and is the final authority on grant award, redirection of funds, restriction of funds, cost allowability or allocability, and termination of the grant. Corrective action, when required, is determined and decided by the GMO, and the GMO has the final word on the acceptance of corrective action plans from a grantee.

The GMO responsibilities include all business management matters associated with the review, negotiation, award, administration of grants. The GMO interprets grants administration policies and provisions and assures appropriate application. The GMO works closely with the program or project officer who is responsible for the scientific, technical, and programmatic aspects of the grant.

The Grants Management Specialist (GMS) is the CDC PGO employee who oversees the business and other non-programmatic aspects of one or more grants and/or cooperative agreements. The GMS is the point of contact for receiving grantee progress and financial reports. GMS activities include, but are not limited to:

- Evaluating grant applications for administrative content and compliance with regulations and guidelines;
- Negotiating grant and cooperative agreements;
- Providing consultation and technical assistance to grantees;
- Post-award administration; and,
- Closing out grants.

The Project Officer (PO) is the CDC employee responsible for the programmatic, scientific, and/or technical aspects of CDC programs. The PO activities include but are not limited to:

- Evaluating the grant applications technical content;
- Monitoring grant activities through report evaluation, site visits, and communication;
- Providing technical assistance as delineated in the NOA; and,
- Assuring grantee performance during the life of the agreement.

Preparing for Application in Grants.gov

PL 106-107

The purpose of the 1999 Federal Financial Assistance Management Improvement Act (Public Law 106-107) and updates was to improve the effectiveness and performance of federal financial assistance programs. In addition, it was designed to simplify the application and reporting requirements for prospective grantees. The Act announced several initiatives that are currently in practice, including:

- Standardized Funding Opportunity Announcement Formats;
- Universal Identifier (DUNS), see below;
- Central Contractor Registration (CCR), see below;
- Electronic Application Capabilities;
- Debarment and Suspension Regulations; and,
- Established the Chief Financial Officer's Council (CFOC) to implement PL 106-107.

Dun and Bradstreet (D&B) Universal Numbering System (DUNS)

To receive a grant or cooperative agreement from the federal government, applicants are required to provide a Dun and Bradstreet (DUNS) number. The DUNS number is a nine-digit identification number which uniquely identifies business entities. Obtaining a DUNS number is easy and is free of charge. A DUNS number is not required to submit a continuation application. To obtain a DUNS number, please visit <http://www.dnb.com> or call 1-800-234-3867.

Central Contractor Registration (CCR)

CCR registration is required prior to grant application and must be kept current. The CCR stores the applicant's information and allows Grants.gov, the electronic CDC grant application system, to use the information to verify the applicant's identity and to pre-fill organizational information on grant applications. This registration is important because CCR validates applicant information and electronically shares the secure and encrypted data with the federal agencies' finance offices to enable EFT payments.

When applicants register with CCR, they are required to designate an E-Business Single Point of Contact (SPOC). This individual becomes the sole authority in the grantee's organization with the capability of designating or revoking an individual's ability to submit grant applications on behalf of their organizations through Grants.gov.

Unless a deviation is granted by the GMO, the grantees who are authorized to make sub-awards must notify potential sub-recipients that no entity may receive a sub-award under the grant unless they have provided a DUNS number, 2 CFR 25. To register with the CCR, call the CCR Assistance Center at 1-866-606-8220 or register online at <http://www.ccr.gov>.

By January 2012, the CCR data and other systems such as the Catalogue of Federal Domestic Assistance (CFDA) and the Online Representations and Certifications Application (ORCA) will be integrated into the System for Award Management (SAM). This single unified system will streamline the user experience, improve data quality, and save approximately 30 million dollars per year.

Application Process – Grants.gov

HHS is proud to be the managing partner for Grants.gov. The Grants.gov web-site is a "one stop shop" for all federal grant and cooperative agreement funding opportunities. Grants.gov allows organizations to electronically find and apply for competitive grant opportunities from all federal grant-making agencies. Grants.gov is a central storehouse for information on over 1,000 grant programs and provides access to approximately \$500 billion in annual awards.

In order to use the electronic application process, potential applicants must register. Registration is a one-time process that can take between three to five business days or as long as four weeks, if all steps are not completed in a timely manner. Early registration is highly recommended. Questions regarding the registration process should be directed via e-mail to support@grants.gov or call 1-800-518-4726.

The Awards Process

1. The award process at CDC involves a complete analysis of the award and/or amendment. From a financial perspective, the primary objectives are to assure that the grantee is eligible to participate in a federally funded program; has all appropriate clearances; that proposed costs are allowable, allocable, and reasonable; and that the budget is complete and properly detailed. The technical review and summary statement are prepared and budget ramifications are identified. During this process, multiple conversations, meetings, and evaluations occur between the PO and the GMO/GMS to assure that each application is complete and that all financial and programmatic issues are properly addressed and evaluated.

The Notice of Award

When an application is approved for funding, PGO issues a Notice of Award (NOA) signed by the GMO or designee. PGO uses standard templates for research and non-research (links go to the Terms and Conditions) awards that contain the award information and Terms and Conditions. The NOA is the official award document that:

- Notifies the recipient of the award of a grant;
- Contains or references all the terms and conditions of the grant and federal funding limits and obligations; and,
- Provides the documentary basis for recording the obligation of federal funds in CDC's accounting system.

PGO issues a revised NOA if an action occurs that results in a change in the amount of funds awarded, a change in the duration of support, or a change in the terms and conditions of the award. The terms of the award, contained in or referenced by the award document, are binding on the grantee unless a revised NOA is issued by PGO. The NOA includes any additional requirements (AR) imposed by the CDC, (45 CFR 74.14).

The terms and conditions binding upon grantees are contained in the NOA. CDC uses approved templates for Research and Non-Research NOA Terms and Conditions. Standard requirements include but are not limited to the statement of work (SOW) for the specific grant or cooperative agreement, the amount and type of financial assistance, and the reporting requirements. Additional requirements (AR) are included in the NOA, Terms and Conditions.

Non Federal Sources of Funds—Matching and Cost Sharing

Some programs require grantees to share in the cost of the project; or, grantees may voluntarily share in the project costs. When required, the matching requirement is published in the Funding Opportunity Announcement (FOA) or continuation guidance and specifically states the percentage or amount of the project costs that must be contributed in order to be eligible for funding.

Proposed budgets must include:

- The specific costs or contributions that will meet the matching requirement;
- The source of the cost or contribution; and,
- How the valuation was determined.

If the required match cannot be met, grantees must contact the GMS immediately to determine its effect on the award.

Allowable Sources of Matching or Cost Sharing

Unless otherwise specified by statute or regulation, the source of matching or cost-sharing contributions may be:

- A non-federal source (e.g., State or local government, private non-profit foundation, private individual).
- Program income if the NOA (or equivalent under mandatory grant programs) expressly permits or requires program income to be used for matching or cost sharing.
- Federal funds awarded under other grants or contracts if the recipient is not required to account to the federal government for their expenditure.
- Unrecovered indirect costs, i.e., the difference between the amounts awarded for indirect costs and the amount that could have been awarded under the negotiated indirect cost rate. In this case, the recipient reduces its charge to the award for the indirect costs to which it would otherwise be entitled and the amount of the reduction qualifies as matching or cost sharing, see [Indirect Costs](#).

Generally, matching or cost-sharing requirements may not be met from the following sources:

- Costs paid by another federal award or sub-award, unless the authorizing federal statute permits those costs to be used as matching or cost sharing. However, this limitation does not apply to fee or profit earned by a recipient or sub-recipient from a contract awarded under another federal assistance\award.
- Costs or contributions used to satisfy a matching or cost-sharing requirement on another federal grant or procurement contract.
- Costs or contributions of services or property financed by program income earned by contractors under a contract from the recipient or a sub-recipient (apart from any fee or profit the contractor earns as a result of the contract), unless expressly authorized by the terms and conditions of the grant award.

Composition of Costs

Matching or cost sharing may be provided in the form of direct or indirect costs. If a category of cost, such as rent or executive salaries, is treated as an indirect cost for purposes of the organization's indirect cost rate, then contributions to a grant in these categories cannot be treated as a direct cost contribution.

- The use of facilities or equipment already owned by a recipient may not be counted as a direct cost contribution when the cost or value of such use is reflected in the applicable indirect cost rate as depreciation or use charges.
- Some third-party in-kind contributions are in the form of goods or services that would be considered indirect costs. Matching or cost-sharing credit for such contributions may be given only when payment for them would be an allowable cost if the party receiving the contributions (recipient, sub-recipient, or cost-type contractor) were to pay for them and the recipient (or sub-recipient or cost-type contractor) has established a special rate (in addition to its regular indirect cost rate) for allocating the value of such contributions to individual projects or programs.
- If a recipient has established special or multiple indirect cost rates, the requirement for consistent classification of costs applies to the activities covered by each rate.

A third party in-kind contribution to a fixed-price contract under a grant, i.e., one in which the contractor is paid a previously agreed-on fixed amount regardless of the actual costs of the contract, may count toward satisfying a matching or cost-sharing requirement only if it results in:

- An increase in the services or property provided under the contract (without additional cost to the recipient or sub-recipient); or,
- A cost savings to the recipient or sub-recipient.

Volunteer services may be furnished by professional or technical personnel, consultants, or other skilled or unskilled labor. Volunteer services may be counted as matching or cost sharing:

- If they provide an integral and necessary part of an approved program or project;
- If payment for Volunteer services would be an allowable cost if the party receiving the contributions (recipient, sub-recipient, or cost-type contractor) were to pay for them; and,
- If the services furnished comply with the valuation of in-kind contributions section below.

Valuation of In-kind Contributions

Rates for volunteers must be consistent with established rates paid for similar work by the recipient or sub-recipient. If the recipient or sub-recipient does not have employees performing similar work, rates used must be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, a reasonable amount for fringe benefits may be included in the valuation.

When an employer other than the recipient, sub-recipient, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, these services will be valued at the employee's regular rate of pay.

If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

Valuation of Third-party Donated Equipment, Buildings, and Land

If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

If a third party donates equipment, buildings, or land and the title passes to a recipient or sub-recipient, the treatment of the donated property depends upon the purpose of the grant or sub-grant as follows:

- If the purpose of the grant or sub-grant is to assist the recipient in the acquisition of property, the market value of that property at the time of donation may be counted as matching or cost sharing.

- If the purpose of the grant or sub-grant is other than to assist in the acquisition of property, the following applies:
 - With GMO/GMS approval, the market value at the time of donation of the equipment or buildings and the fair rental rate of the land may be counted as matching or cost sharing. In the case of a sub-grant, the terms of the grant award may require that the approval be obtained both from the GMO/GMS and from the recipient. In either case, approval may be given only if purchase of the equipment or rental of the land would be allowable as a direct cost. If any part of the donated property was acquired with federal funds, only the non-federal share of the property may be counted as matching or cost sharing;
 - Unless GMO/GMS approval is obtained, no amount may be counted for donated land and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for such property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the recipient or sub-recipient. The allowances are computed and allocated (usually as indirect costs) in accordance with the cost principles in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

If a recipient or sub-recipient donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as matching or cost sharing. If any part of the donated property was acquired with federal funds, only the non-federal share of the property may be counted as matching or cost sharing.

Other in-kind contributions made by third parties for the specific benefit of the grant project or program may be accepted as matching or cost sharing provided that they are adequately supported and permissible under applicable law and regulations. Charges for such contributions must be fair, reasonable, and properly justified.

The costs borne by matching or cost sharing (including in-kind contributions) are subject to the rules governing allowability in 45 CFR 74.23 or 92.24. Those rules include allowability under the cost principles and other terms and conditions of the award, including any prior-approval requirements. Federal funds may not be used as matching or cost sharing for other federal funds except as expressly provided in federal statute.

Unless restricted by statute or regulation, matching or cost sharing may be provided as direct and/or indirect costs consistent with the recipient's accounting system, the recipient's usual method of charging for similar items, and any restrictions or limitations in the applicable cost principles.

Recipients may not use program income as a source of matching or cost sharing unless explicitly authorized in the NOA. All costs and contributions used to satisfy a matching or cost-sharing requirement must be documented by the recipient and are subject to audit.

If a recipient provides matching or cost sharing that exceeds that required by the NOA (or equivalent notification under mandatory grant programs), the excess amount is not subject to the requirements of 45 CFR Part 74 or 92 unless the amount is used to offset otherwise unallowable matching or cost-sharing amounts.

For additional information on matching or cost sharing, see Title 45 CFR 74.23 and/or 92.24.

Financial Management Systems Requirements

Grantees receiving federal funds must use financial management systems that:

- Ensure federal funds will be used appropriately;
- Maintain adequate documentation; and,
- Safeguard federal assets.

Reporting financial results of grants, maintaining records on the source and use of grant funds, and safeguarding grant assets and funds are fundamentally "good business" and are required to monitor grant funding. The grantee financial management systems must include accounting, property, procurement, and internal controls.

Financial management systems, policies, and procedures must meet the minimum requirements set forth in 45 CFR 92.20 for state, local, and Indian tribal governments, and 45 CFR 74.21 for Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations. There are no requirements for foreign organizations.

A state government system should account for grant funds in accordance with state laws and procedures for expending and accounting for its own funds; and, be sufficient to:

- Prepare required reports; and,
- Trace funds to a level of expenditures adequate to establish that funds have not been used in violation of statutory restrictions.

Local and Indian Tribal systems should:

- Provide for accurate, current, and complete disclosure of financial results of grant activities in accordance with applicable requirements;
- Maintain accounting records which identify the source and use of grant funds to include awards, obligations, unobligated balances, assets, liabilities, expenditures, and income;
- Maintain internal controls that account for grant cash, property, and assets, safeguard such, and assure that they are used solely for authorized purposes;
- Compare actual expenditures with budgeted amounts, and relate financial information to performance;
- Determine the reasonableness, allowability, and allocability of costs in accordance with cost principles, agency program regulations, and the terms of grant;
- Support accounting records with source documentation; and,
- Manage cash balances to minimize the time elapsing between the transfer of funds and disbursement.

Under grant regulations at 45 CFR 74.21, the financial management system of an institution of higher education, hospital, other nonprofit organization, or commercial organization, should:

- Provide for accurate, current and complete disclosure of financial results of each project or program;
- Maintain accounting records which identify the source and use of grant funds to include awards, obligations, unobligated balances, assets, expenditures, income, and interest;
- Maintain control over and accountability for grant funds, property and other assets, safeguard such, and assure that they are used solely for authorized purposes;
- Compare outlays with budget amounts, and relate financial information to performance;
- Provide for written procedures to minimize the time elapsing between the transfer of funds and disbursement;
- Provide for written procedures to determine the reasonableness, allocability and allowability of costs in accordance with cost principles and award terms; and,
- Maintain accounting records, including cost accounting records that are supported by source documentation.

Cost Requirements Incorporated by Reference

The grant regulations at 45 CFR 92.20 and 45 CFR 74.21 incorporate by reference a host of other requirements that indirectly impact a grantee's financial management system. For example, a particular grantee's financial management system should:

- Support the preparation of reports, such as: (a) the Financial Status Report, SF-269; (b) Federal Financial Report (FFR)- Federal Cash Transaction Report (FCTR) SF-272; (c) the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations, SF-SAC; (d) a budget presented in a grant application; or (e) an indirect cost rate proposal;
- Provide evidence of compliance with statutory restrictions, such as, the Byrd Anti-Lobbying Amendment (45 CFR 93), and the Davis-Bacon Act;
- Account for costs in accordance with cost principles;
- Pass audit requirements under OMB Circular A-133 as supplemented, Audits of States, Local Governments, and Non-Profit Organizations;
- Maintain advances of grant funds in interest bearing accounts and remit excess interest to the government; or,
- Incorporate a certified property management or procurement system.

The source of these requirements must be considered as program and administrative policies and the terms and conditions of individual awards supplement, rather than a substitute for governing statutory and regulatory requirements.

Common Areas of Noncompliance

Audits of grantees' financial management systems have identified common areas of noncompliance with federal requirements, bulleted below. Financial noncompliance can result in cost disallowances which require grantees to return grant funds.

- Allowable costs per cost principles
- Sub-recipient monitoring
- Cash management
- Procurement
- Allowable activities
- Period of availability of funds
- Davis-Bacon Act
- Reporting
- Special tests and provisions
- Eligibility

- Matching level of effort and earmarking
- Program income
- Real property acquisition
- Equipment and real property management

Inadequate accounting documentation to support costs charged to federal grants can result in questioned costs or disallowance of funding. Common areas of inadequate documentation include but are not limited to:

- Lack of time records to support salary costs charged to grants;
- Lack of consulting agreements and invoices to support services related to the grant;
- Indirect costs charged to the grant exceeded those allowed by the grantee's negotiated indirect cost rate agreement; and,
- Costs were unallowable in accordance with applicable cost principles.

Segregation of Activities

A grantee's financial management system should be able to separate activities and associated costs in order to demonstrate both compliance with grant performance goals and to avoid prohibited activities or costs. Activities that incur prohibited costs should be clearly segregated from allowable grant activities and costs. The discerning between allowable grant activities and costs and non-grant activities and costs is sometimes difficult. Areas that might require careful review and documentation include:

- Multiple activities performed under a single grant;
- A single activity sponsored by multiple funding sources;
- Congressional lobbying versus legislative liaison;
- Pre-award activities versus marketing activities; and,
- Entertainment versus business conferences or meetings

Training grant employees to understand allocable costs prior to grant activities; to assign time and/or effort to performed activities; and, to document in sufficient detail to allow proper identification of activities and costs assists in cost separation, positive audit findings, and appropriate stewardship of federal grant funds.

Program Income

45 CFR Part 92.25 states,

"Grantees are encouraged to earn income to defray program costs. Program income means gross income received by the grantee or sub-grantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period . . . Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the Federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds. . . and interest earned on any of them."

Grantees are accountable to CDC for certain kinds of program income in accordance with Title 45 CFR 74.24 and Title 45 CFR Part 92.25.

All general program income earned during the period of CDC grant support shall be retained by the recipient and shall be treated in accordance with one or a combination of the following options:

- Deduction Alternative - Deducted from total allowable costs for the current period unless the terms of the NOA authorize deferral to a later period;
- Matching Alternative - Used to satisfy all or part of a matching requirement;
- Additional Costs Alternative - Used for costs that are in addition to the allowable costs of the project for any purposes to further the objectives of the legislation under which the grant was made.

Program income is required to be reported on the FFR.

Prior Approval of Expenditures Not Included in the Approved Budget

The budget plan is the grantee's financial expression of the project or program as approved during the award process. The plan may include either the sum of the federal and non-federal shares, or only the federal share, depending upon HHS awarding agency requirements, and or as stated in the NOA. The plan must be related to performance for program evaluation purposes whenever appropriate. Grantees are required to report deviations from budget and program plans and to request prior approvals for budget and program plan revisions, in accordance with Title 45 CFR 74.25. The primary reasons for prior-approval requirements are:

- To ensure that, for post-award changes, the project/program, as implemented by the recipient, retains a close connection with the project/program as approved by the CDC; and,
- To avoid inappropriate costs and possible audit disallowances.

A summary of prior approvals is presented in Table 2. Other prior approvals may be required by the terms and conditions of the award, specific program legislation, or regulation. Grantees are encouraged to communicate with the GMO/GMS if changes to the budget plan are being considered.

All requests that require prior approval must be initiated by the grantee; submitted in writing; signed by an authorized official of the business office of the grantee organization in addition to the principal investigator/project director; and, submitted directly to the GMO/GMS. Failure to obtain prior approval when required may result in the disallowance of costs. Any requests not bearing dual signatures and/or referencing the cooperative agreement number may delay the request and may be returned to the recipient without action.

Table 2: Summary of Prior Approval Requirements

Expenditure Activity	CDC Prior Approval is Required for this Expenditure Activity under the Following Circumstances	Unless
Alteration and renovation (A&R)	<p>Rebudgeting into A&R costs in a single budget period that would exceed the lesser of \$150,000 (or higher amount established by CDC in CDC policy) or 25 percent of the total approved budget for a budget period (direct and indirect costs).</p> <p>Any single A&R project exceeding \$150,000 or higher ceiling established in CDC policy.</p> <p>Aggregate costs for A&R projects that would exceed the lesser of \$150,000 (or higher amount established by the CDC in CDC policy) or 25 percent of the total costs reasonably expected to be awarded by the awarding office for a competitive segment</p>	N/A
Carryover of unobligated balances	All Instances	Provided as an expanded authority
Change in scope or objectives of the grant-supported activity	All Instances	N/A
Changes in status of Principal Investigator, Project Director, or other key personnel named on the NOA	<p>Replacement for PI PD or PI's PD's absence for any continuous period of 3 months or more; reduction of time devoted to project/program by 25 percent or more from level in approved application.</p> <p>Change in key personnel.</p>	N/A
Change of grantee organization	All Instances	N/A
Cost principles prior approval requirements	All instances as supplemented by HHS policy (e.g. A&R and equipment).	Provided as an expanded authority (which does not include capital expenditures for land or buildings or indemnification against liabilities to third parties or any other loss or damage not compensated by insurance or otherwise) to recipients of non-construction grants under 45 CFR Part 74 and recipients of any type of grant under 45 CFR Part 92.
Deviation from award terms and conditions	All instances. Includes undertaking any activities disapproved or restricted as a condition of the award.	N/A
Equipment	General- and special-purpose equipment exceeding \$25,000 per unit if it would result in a change in scope.	N/A

Restrictive Use of Funds

Expenses that are generally not allowed under a grant or cooperative agreement are:

- Alcoholic Beverages
- Bad Debts
- Contingencies
- Contributions or Donations
- Entertainment
- Fines and Penalties
- Goods or Services for Personal Use
- Interest
- Goodwill
- Losses on Other Sponsored Agreements or Contracts
- Lobbying (see "Lobbying Restrictions" section for details)
- Pre-award costs, unless prior approval is received
- Mischarging of costs
- Unreasonable costs

For more information, please refer to the appropriate cost principles presented in Table 1.

Indirect Costs

Most organizations incur allowable costs which cannot be readily identified with an individual project or program. In these situations, the costs are allocated to the projects and programs as "indirect costs." The end product of this allocation process is an indirect cost rate which is then applied to individual grant-supported projects to determine the amount of its indirect costs.

For information on indirect cost rates, refer to the HHS/Division of Cost Allocation (DCA) or the applicable cost principles, Table 1. Information for obtaining negotiated indirect cost rates with nonprofit grantees can be obtained from the DCA at <http://rates.psc.gov/fms/dca/negotiations.html> . Information for obtaining negotiated indirect cost rates with for-profit grantees can be obtained from the HHS/National Institutes of Health (NIH) at the following address.

Director
Division of Financial Advisory Services, OAMP
The National Institutes of Health
Office of Acquisition Management and Policy
6100 Executive Boulevard, Room 6D01
Bethesda, MD 20892-7540

E-mail address: For comments, questions, and suggestions, email oamp@mail.nih.gov

(For delivery by courier, other than the U.S. Post Office, change the last address line to read "Rockville, MD 20852")

CDC reimbursement for indirect costs is subject to the following provisions:

- Indirect costs under all training grants other than those awarded to State or Local government agencies will be reimbursed at 8% of total allowable direct costs exclusive of tuition and related fees and expenditures for equipment or at the actual indirect cost rates, whichever results in a lesser dollar amount;
- Indirect costs on Research (Career) Development Awards will be reimbursed at 8% of total allowable direct costs, exclusive of tuition and related fees and expenditures for equipment or at the actual indirect cost rates, whichever results in a lesser dollar amount;
- Indirect costs will not be paid on fellowships or similar awards where CDC funding is in the form of fixed amounts or the normal published tuition rates of an institution and for which the recipient is not required to account on an actual cost basis;
- Indirect costs will not be reimbursed on grants to individuals and foreign institutions;
- Indirect costs for conference support grants will not be allowed except in the most unusual circumstances and then only after negotiation between the recipient and the GMO/GMS;
- Grants on which indirect costs are limited or prohibited by law or regulation will be awarded in accordance with the legal or regulatory restrictions;
- When the grantee waives reimbursement of full indirect costs, either no indirect costs or only partial indirect costs will be awarded as appropriate;
- The total amount awarded by CDC will be based on the most current indirect cost rate at the time of award and constitute a ceiling on the amount payable to the grantee for the grant;
- Grantees may re-budget between direct and indirect costs without CDC prior approval; and,
- When a currently effective indirect cost rate is not available at the time of an award because the grantee was delinquent in the submission of its indirect cost proposal, the award shall not include funds for the reimbursement of indirect costs. If the

grantee subsequently establishes a current effective rate, the GMO/GMS may exercise discretion to amend the award to provide an appropriate amount for indirect cost if the amendment can be made within the same federal fiscal year in which the initial award was made.

Sub-Awards

CDC does not participate in selection of sub-awardees, specify a particular entity to receive a particular sub-award, or review proposed sub-award documents unless allowed by 45 CFR Part 74 or 92. If an applicant/recipient submits a proposed contract/agreement, CDC review and or approval does not constitute a legal endorsement by the CDC nor does such approval establish the CDC as a party to any of the contract/agreement provisions.

The regulations contained in Title 45 Subtitle A of the Code of Federal Regulation apply to sub-awards made to third parties by recipients of HHS awards, (45 CFR 74.5). Applicants generally should provide sufficient information about intended sub-award activity in the application to allow CDC approval. Whether included in the application or as part of a post-award prior-approval request the applicant/recipient must include the following information:

- A description of the activities or functions involve;
- A justification for their performance by a third party;
- A breakdown of and justification for the estimated costs, including the manner in which indirect costs, if any, will be reimbursed;
- The method to be used to select the sub-award and the type of contract/agreement expected to be awarded; and,
- The kinds of entities to be solicited (if selection has already taken place, identify the organization and the reasons for selection).
- CDC prior approval is required for a change in the approved application that would result in the transfer of substantive programmatic work to a third party by a sub-grant, contract, or other agreement if:
- The requirement to obtain CDC approval of sub-granting, transferring, or contracting out of substantive programmatic work by recipients of non-construction grants under 45 CFR Part 74 has not been provided as an expanded authority;
- The authority to approve sub-granting, transferring, or contracting out of substantive programmatic work by recipients of non-construction grants under 45 CFR Part 74 has been provided as an expanded authority but the activity would result in a change in scope;
- The recipient is a governmental entity subject to 45 CFR Part 92 under any type of grant; or,
- The grant is a construction grant and the recipient is subject to 45 CFR Part 74.

The transfer of substantive programmatic work is differentiated from acquisition of routine goods or services used in—or in support of—a project or program. Sometimes, because of the nature of a project/program, services that might otherwise be considered “routine” may be considered “substantive programmatic work.” The GMO/GMS, in consultation with the PO as necessary, determines into which category a proposed activity falls.

Sub-granting is allowable only if authorized by statute or regulation. For programs where sub-granting is authorized, the transfer of funds in that manner is integral to program design; and, therefore, the grantee is expected to sub-grant. The CDC generally does not have authority to review sub-grants before or after award. However, if the authority to sub-grant is not specified in the NOA, CDC prior approval is required to determine if there is statutory authority for the activity.

If the program is intended as a “pass-through” program, prior approval for the transfer of substantive programmatic work generally is not required. A “pass through” program is one where the recipient’s role is:

- To select sub-awardees that are expected to provide the services that are the purpose of the grant;
- To coordinate and oversee sub-awardee activities; and,
- To provide the administrative support needed to meet CDC requirements.
- CDC prior approval for the transfers of substantive programmatic work to a third party by a sub-grant, contract, or other agreement is intended to ensure that:
- The proposed arrangement is consistent with applicable statutory authorities;
- The recipient maintains an appropriate role in the project or program that is consistent with the approved application;
- The contracting or transfer of funds is required for the efficient and effective accomplishment of grant objectives;
- The recipient complies with applicable procurement requirements under 45 CFR Part 74 or 92;
- Proposed costs are reasonable; and,
- The business agreement between the parties is adequate to protect the CDC’s interests and to ensure performance accountability.

If prior approval is required, the CDC will review the proposed activities to be contracted or otherwise transferred, the cost of the contract or other agreement, proposed contractor or sub-recipient, if known, and other circumstances of the contract or sub-award.

Reporting Sub-Awards: “Federal Financial Accountability and Transparency Act of 2006” (FFATA)

FFATA, Public Law 109-282, requires full disclosure for all entities receiving federal funds including first tier sub-awards receiving over \$25,000 in federal funding. Disclosure does not apply to recipients of American Recovery and Reinvestment Act funds as defined in P.L. 111-5.

The FFATA Sub-award Reporting System (FSRS) is the reporting tool federal prime awardees (i.e. prime contractors and prime grants recipients) use to capture and report sub-award and executive compensation data regarding their first-tier sub-awards to meet the FFATA reporting requirements. Prime contract awardees will report against sub-contracts awarded and prime grant awardees will report against sub-grants awarded. The sub-award information entered in FSRS will then be displayed on www.USASpending.gov associated with the prime award furthering federal spending transparency.

Lobbying Restrictions

HHS grantees must be aware of restrictions on the use of HHS funds for lobbying of federal or state legislative bodies. A federal criminal statute provides that no part of money appropriated by Congress can be used directly or indirectly to pay for any personal service or thing intended to influence a member of Congress, a jurisdiction, or an official of any government to favor or oppose any legislation, law, ratification, policy or appropriation unless directly authorized by Congress. The restrictions concerning actions intended to influence non-federal government entities and expanding the statute to include laws, ratifications and policies was added in recent amendments to the statute.

In addition to this restriction, annual HHS appropriations acts routinely include a clause that states that no part of CDC appropriated funds shall be used directly or indirectly (other than for normal and recognized executive-legislative relationships) for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State legislature, except in presentation to the Congress or any State legislature itself. This restriction also prohibits the use of any appropriated funds to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any State legislature. 31 USC 1352 explicitly addresses grantees. That statute states that no funds appropriated by any Act may be expended by the recipient of a federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with: (a) the awarding of any federal contract; (b) the making of any federal grant; (c) the making of any federal loan; (d) the entering into of any cooperative agreement; or (e) the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

None of these restrictions prevent CDC grantees from engaging in any lobbying activity on their own personal time as long as they are not using any federal (appropriated) funds to do so, and are not lobbying in their role as a federally-funded grantee.

Progress/Performance Reports

Grantees are responsible for managing and monitoring each project, program, sub-award, function, or activity supported by the award. Grantees are required to submit progress reports. Report frequency is stipulated in the NOA. Annual reports are due 90 calendar days after the end of the budget period, and semi-annual and quarterly reports are due 30 days after the reporting period. The final performance reports, if required, are due 90 calendar days after the expiration or termination of the award.

Progress reports should generally contain the following information:

- A comparison of actual accomplishments with the goals and objectives established for the period;
- Reasons why established goals were not met, if appropriate; and,
- Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

The original performance report, with a signed and dated cover letter which references the award on each copy of the report must be submitted to the GMS. A courtesy copy of the report may be sent to the PO. Both the GMS and PO will review the information contained in the Progress Report. The GMS will perform an analysis of the fiscal/business information in the report, and the PO will perform an analysis of the technical/programmatic information. The GMO/GMS must approve progress reports.

Grantees shall immediately notify CDC of developments that have a significant impact on the award-supported activities and in the case of problems, delays, or adverse conditions which may materially impair the grantee's ability to meet the award objectives. This notification includes a statement of the action taken or contemplated and any assistance needed to resolve the situation. CDC may respond with a site visit.

CDC may withhold an award due to delinquent reports, failure to show satisfactory progress, inadequate stewardship of federal funds, or failure to meet the terms and conditions of the award.

Interim Progress Report and Non-Competing Continuation Applications

The Interim Progress Report/Non-Competing Continuation Application is due to CDC from grantees no later than 90 days prior to the end of budget period. The information submitted by the grantee to CDC that will make up the grantee's non-competing continuation application consists of:

- Interim Progress Report - a report of progress from the beginning of the budget period through the date of the interim progress report;
- Detailed Line Item Budget to support the estimated funding amount for the new upcoming budget period, as requested in the Solicitation of Non Competing Continuation Notification letter received from PGO at least 45 days prior to the due date of the interim progress report; and,
- Any additional information or documentation requested in the Solicitation of Non Competing Continuation Notification letter received from PGO at least 45 days prior to the due date of the interim progress report.
- The GMO/GMS and the PO will:
- Review the interim progress report and all submitted attachments for completeness;
- Provide an analysis of all submitted documentation with the PO reviewing the technical/programmatic portions and GMO/GMS reviewing the financial/business portions of the submittals;
- Decide upon consensus if the continuation is awarded. This decision is based on the analysis of all documentation and facts, availability of funds, and if continuing the effort is in the best interest of the government; and,
- Sign a memo, which is retained in the grant file, documenting the analysis and decision made.

The Interim Progress report details the programmatic and fiscal activities conducted during the current budget period and documents the proposed activities and objectives for the upcoming new budget period. Current budget period activities are considered those activities initiated since the beginning of the current budget period to the date of the interim progress report.

New budget period proposed activities are those activities proposed for the next budget period of the program. Submission of the completed Interim Progress Report and information requested in the Solicitation of Non-Competing Continuation Notification letter constitute the grantee's non-competing continuation application.

This report is due 90 days prior to the end of the budget period reported. The Principal Investigator shall sign the Interim Progress report. The Principal Investigator and Business Office Official sign the accompanying detail budget and budget justification.

The Interim Progress report includes:

- **Current Budget Period Activities Objectives:** For each objective, provide the status and a brief written discussion. The discussion must include:
 - A description of lessons learned, barriers encountered, and how the barriers were addressed;
 - The reasons why goals were not met; and,
 - Problems, delays, or adverse conditions which materially impair the ability to meet the objectives of the award and a statement of action taken or contemplated, and any assistance needed to resolve the situation.
- **Current Budget Period Financial Progress:** Provide an estimate of the overall obligations for the current budget period.
 - If unobligated funds are anticipated at the end of the current budget period based on the current rate of obligation, provide detailed actions to be taken to obligate the estimated unobligated amount before the end of the current budget period. If it is anticipated that the estimated unobligated amount will not be obligated by the end of the current budget period, the grantee must request that these unobligated funds be carried over to the new budget period if those unobligated funds are still required to support the program.
 - If it is estimated that insufficient funding remains to support the project to the end of the current budget period, provide detailed justification of the shortfall and the anticipated or taken actions to bring the obligations in line with the authorized funding level, or request supplemental funds.
- **New Budget Period Program Proposed Activity Objectives:** List proposed objectives for the upcoming budget period. These objectives must support the intent of the original funding opportunity announcement. Each objective must be time-phased, measurable, and have a performance or outcome measure by which the success of the objectives can be assessed. For each objective, list proposed activities that will be implemented to accomplish the objective. Provide a timeline for each objective accomplishment. Identify, justify, and explain the methodology for the implementation of any redirection of activities.
- **Detailed Line-Item Budget and Justification:** Provide a detailed line-item budget and justification of the funding amount requested to support program activity for the upcoming budget period.
- **Additional Information:** Updated assurances, IRB approvals, and negotiated indirect cost rate agreements.

The Federal Financial Report (FFR)

All CDC grantees are required to submit a report of expenditures for each budget period. In 2011, the Federal Financial Report (FFR), Standard Form (SF) 425, will replace the Financial Status Report (SF269) and the Federal Cash Transactions Report (SF272) with one comprehensive financial reporting form. Submission dates and lead times are located in the Terms and Conditions of the NOA.

Unobligated funds may be carried forward into any budget period in the project period. An estimated amount of unobligated funds for the current budget period should be reported in the interim progress report. The decision to carry funds forward must be made by the GMO/GMS who will apply the "first-in-first-out" principle to the current funds.

If an unobligated balance remains at the end of the budget period, the GMO/GMS, in conjunction with the PO, will determine the appropriate disposition of the unobligated balances. Depending on the outcome of the assessment, the GMO/GMS may:

- Withdraw the excess funds by issuing an amendment to the NOA for the current budget period; or,
- Authorize some or all of the unobligated balance to be carried forward.

The carryover may be used as an:

- Offset (reduction) to new funding (e.g., the budget and activity for the budget period remains as previously approved); or,
- Addition to the full level of previously approved funding (e.g., activities remaining from the prior budget are added to those of the current budget period and the budget is increased accordingly).

If there are restricted costs stated in your NOA for the current budget period, and the restriction has not been removed by the GMO/GMS, these costs should be included in the unobligated balance on the FFR.

Audit Requirements

OMB Circular A-133, Audits of States, Local Governments, and Non-profit Institutions, establishes audit requirements for institutions of higher education and other nonprofit institutions receiving federal awards. The main features of the circular are:

- Non-federal entities expending federal awards of \$500,000 or more a year shall have a single audit or program-specific audit conducted for that year in accordance with the Circular. The audits should be performed annually but not less frequently than every 2 years;
- The audits must be on an organization wide basis and performed by an independent auditor in accordance with governmental auditing standards; and,
- An audit performed in accordance with the Circular shall be in lieu of any financial audit required under individual federal awards.

Grantees shall submit all audit reports and data collection forms within the earlier of 30 days after receipt of the auditor's report, or 13 months after the end of the audit period. Submissions of Form SF-SAC and the Single Audit reporting package for fiscal periods ending on or after January 1, 2008 must be submitted using the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/fac/collect/ddeindex.html>

No audit costs may be charged to federal awards when audits have not been performed in accordance with the Circular. In cases of continued inability or unwillingness to have an A-133 audit conducted, CDC will take appropriate action using sanctions such as:

- Withholding a percentage of federal awards until the audit is completed satisfactorily;
- Withholding or disallowing overhead costs;
- Suspending federal awards until the audit is conducted; or,
- Terminating the federal award.

Grantees must follow a systematic method for ensuring timely and appropriate resolution of audit findings and recommendations. Grantees are usually allowed 30 days from the date of the request to respond to the responsible audit resolution official (Action Official) concerning audit findings. Failure to submit timely responses may result in cost disallowance or other actions by CDC or HHS. At the completion of the audit resolution process, the grantee will be notified of the Action Official's final decision. The grantee may appeal this decision through the Grants Appeal Procedures. Refunds owed to the federal government as a result of audit disallowances must be made in accordance with instructions issued by the Action Official or CDC finance office.

Methods of Payment

Funds awarded for CDC grants and cooperative agreements will be made to the Grantee through the Payment Management System (PMS). PMS is administered by the HHS Division of Payment Management.

The PMS will forward: (1) the HHS Manual for Grantees Financed Under the Payment Management System (PMS); (2) the PMS-270, Request for Advance and Reimbursement; (3) the PMS-272, Status of Federal Cash; (4) a contact person's name; and (5) instructions regarding direct deposit and other payment routes.

Mailing address:

Division of Payment Management
FMS/PSC/HHS
P.o. Box 6021
Rockville, MD 20852

Overnight Mailing Address:

U.S. Department of Health and Human Services
Division of Payment Management
5600 Fishers Lane - 11-33
11th Floor - Head House Wing
Rockville, MD 20857

At CDC there are two methods of payment: (1) direct payments (advances); and, (2) manual payments (advances or actuals). The method of payment will be in the Terms and Conditions of the NOA.

Grantees placed on direct payments should request such directly from PMS. For those grantees placed on manual payments, the GMO/GMS will monitor, control and approve requests for payment. The PMS 270 forms, as well as correspondence related to payments must be forwarded to the GMS.

Submission of PMS 270 forms must be performed on a monthly basis with a disbursement plan outlining anticipated or actual expenses by cost categories, see <http://www.dpm.psc.gov> for additional information. Be sure to include the award number and the full name of the organization (no acronyms). On the cover letter, indicate the name and number of the person to be contacted if questions or issues need to be addressed.

Requests for payments (advances) must be based on estimated federal cash disbursements. Funds for contingencies (e.g., float or cushion position, excess cash) will not be approved.

A payment request for any period having ended is not considered an advance and the request must be made for ACTUAL EXPENSES incurred, which must be itemized in the disbursement plan format. Restricted funds as noted in the award must not be requested until a written amendment which rescinds the restriction(s) is issued by PGO, signed by the GMO/GMS, and received by the Recipient.

Closing Out the Grant/Cooperative Agreement

As of the date of expiration or termination, grantees are precluded from incurring new obligations; however, they may seek payment for valid obligations incurred before that date. At least 60 days before the scheduled expiration date, the GMO/GMS will send a pre-closeout letter to the recipient indicating the CDC's expectations for closeout. Grants and Cooperative Agreements shall be closed out in accordance with Title 45 Part 74, Subpart D and Title 45 Part 92, Subpart D.

Final Performance Report

The narrative of your final progress report should include information to fulfill any specific reporting requirements in the notice of award, a summary statement of progress toward the achievement of the originally stated goals, and a list of the results considered significant (whether positive or negative). This report should be submitted no later than 90 days after the end of the project period. Revisions to the FFR may be made up to 12 months from the due date of the original FFR. An original and two copies should be sent to the GMO/GMS.

Final FFR

The Final FFR is to be submitted within 90 days after the end of the project period. The final report should not show any unliquidated obligations and must indicate the exact balance of unobligated funds.

An original and two copies are required to be sent to the GMO/GMS. All excess funds reported on the FFR will be withdrawn from the award. Should that amount not agree with the final expenditures reported to the HHS, PMS, you will be required to update your reports to PMS.

If there are restricted costs stated in your NOA and the restriction has not been removed by the GMO/GMS, these costs should be included in the unobligated balance on the FFR.

Equipment (45 Part 74.34)

When equipment acquired with CDC funds is no longer needed, the equipment may be used for other activities in accordance with the following standards:

- Equipment with a fair market value of \$5,000 or more may be retained for other uses provided that compensation is made to CDC;
- If the equipment is no longer needed, recipient shall request disposition instructions from CDC/ GMO/GMS.

Prior approval is required for equipment purchases to be made during the last six months of the project period.

CDC reserves the right to order the transfer of title to the federal government or to a third party named by the CDC/ GMO/GMS. Such transfers are subject to the standards of 45 CFR 74 or 92.

Record Retention

All records pertaining to the activities performed under Programs shall be retained by the recipient for a period of three years in accordance with 45 CFR 74 or 92.

Additional Information

The GMOs/GMSs and PGO staff in the Office of Policy, Oversight, and Evaluation (OPOE) are available to answer any specific questions grantees may have. Contact information is located in the NOA. For more information about HHS Grants, go to HHS Grants Net at <http://dhhs.gov/asfr/ogapa/aboutog/grantsnet.html>.

References

- 2 CFR 25—*Universal Identifier and Central Contractor Registration* [on-line] 2011 [cited 2011 January 24]. Available from URL: http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title02/2cfr25_main_02.tpl
- 2 CFR 74.14—*Special Award Conditions* [on-line] 2011 [cited 2011 January 24]. Available from URL: http://edocket.access.gpo.gov/cfr_2005/octqtr/pdf/45cfr74.18.pdf
- 2 CFR 215—*Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (OMB Circular A-110)* [on-line] 2011 [cited 2011 January 24]. Available from URL: http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title02/2cfr215_main_02.tpl
- 2 CFR 220—*Cost Principles for Educational Institutions (OMB Circular A-21)* [cited 2011 January 24]. Available from URL: <http://ecfr.gpoaccess.gov/cgi/t/text/textidx?c=ecfr&sid=3988112576faef5b2a52d4f03522a1a5&rgn=div5&view=text&node=2:1.1.2.9.4&idno=2>
- 2 CFR 225—*Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87)* [cited 2011 January 24]. Available from URL: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=e83c3b8e3214e1657e6073e7a960bfed&rgn=div5&view=text&node=2:1.1.2.9.6&idno=2>
- 2 CFR 230—*Cost Principles for Non-Profit Organizations (OMB Circular A-122)* [on-line] 2011 [cited 2011 January 24]. Available from URL: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=e83c3b8e3214e1657e6073e7a960bfed&rgn=div5&view=text&node=2:1.1.2.9.8&idno=2>
- 31 USC 1352—*Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions* [on-line] 2011 [cited 2011 January 25]. Available from URL: http://www.law.cornell.edu/uscode/31/uscode_31_00001352----000-.html
- 45 CFR 74 Appendix E to Part 74—*Principles for Determining Costs Applicable to Research and Development under Grants and Contracts with Hospitals* [on-line] 2011 [cited 2011 January 25]. Available from URL: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=85fa827d5b4cde0a8286b0541125d28e&rgn=div5&view=text&node=45%3A1.0.1.1.35&idno=45&cc=ecfr#45:1.0.1.1.35.6.11.3.11>
- 45 CFR—*Public Welfare* [on-line] 2011 [cited 2011 January 24]. Available from URL: http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?sid=920b56cb4bd8bdea6cdc73fd78588309&c=ecfr&tpl=/ecfrbrowse/Title45/45tab_02.tpl
- 45 CFR 74—*Uniform Administrative Requirements for Awards and Subawards to Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations* [on-line] 2011 [cited 2011 January 24]. Available from URL: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=920b56cb4bd8bdea6cdc73fd78588309&rgn=div5&view=text&node=45:1.0.1.1.35&idno=45>
- 45 CFR 74.21—*Standards for Financial Management Systems* [on-line] 2011 [cited 2011 January 25]. Available from URL: http://edocket.access.gpo.gov/cfr_2003/octqtr/45cfr74.21.htm
- 45 CFR 74.23—*Cost Sharing or Matching* [on-line] 2011 [cited 2011 January 25]. Available from URL: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=e4af83c92c8b593b09546fc4b8f6c66&rgn=div8&view=text&node=45:1.0.1.1.35.3.6.4&idno=45>

- 45 CFR 74.24—*Program Income* [on-line] 2011 [cited 2011 January 25]. Available from URL: http://edocket.access.gpo.gov/cfr_2004/octqtr/pdf/45cfr74.25.pdf
- 45 CFR 74.25—*Revision of Budget and Program Plans* [on-line] 2011 [cited 2011 January 25]. Available from URL: http://edocket.access.gpo.gov/cfr_2007/octqtr/pdf/45cfr74.25.pdf
- 45 CFR 74.26—*Non-federal Audits* [on-line] 2011 [cited 2011 January 24]. Available from URL: http://edocket.access.gpo.gov/cfr_2004/octqtr/pdf/45cfr74.26.pdf
- 45 CFR 74.34—*Equipment* [on-line] 2011 [cited 2011 January 25]. Available from URL: http://edocket.access.gpo.gov/cfr_2003/octqtr/pdf/45cfr74.34.pdf
- 45 CFR 74.5—*Subawards* [on-line] 2011 [cited 2011 January 24]. Available from URL: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=b5394af3c4044414509c64cead11d775&rgn=div8&view=text&node=45:1.0.1.1.35.1.6.5&idno=45>
- 45 CFR 74.71—*Closeout Procedures* [on-line] 2011 [cited 2011 January 25]. Available from URL: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=f6bac41c899f45154f22a6029836e8dc&rgn=div8&view=text&node=45:1.0.1.1.35.4.11.2&idno=45>
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Appendix A: Frequently Used Acronyms and Abbreviations

AR – Additional Requirement

ATSDR – Agency for Toxic Substances and Disease Registry (<http://www.atsdr.cdc.gov>)

CCR – Central Contractor Registration (<https://www.bpn.gov/ccr/default.aspx>)

CDC – Centers for Disease Control and Prevention (<http://www.cdc.gov>)

CFDA – Catalog of Federal Domestic Assistance (<https://www.cfda.gov>)

CFOC – Chief Financial Officer's Council (<http://www.cfoc.gov/index.cfm>)

CFR or eCFR – Code of Federal Regulations (<http://www.gpoaccess.gov/cfr>) or (<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=%2Findex.tpl>)

CIO – Centers, Institute, and Offices of CDC/ATSDR (<http://www.cdc.gov/about/organization/cio.htm>)

DCA – Division of Cost Allocation (<http://rates.psc.gov>)

DUNS Number – Dun and Bradstreet (D&B) Universal Numbering System (<http://www.dnb.com>)

EFT – Electronic Funds Transfer

FAR – Federal Acquisition Regulation (<https://www.acquisition.gov/Far>)

FFATA - Federal Financial Accountability and Transparency Act of 2006 (http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_bills&docid=f:s2590enr.txt.pdf)

FSRS - FFATA Subaward Reporting System (<https://www.fsrs.gov>)

FOA – Funding Opportunity Announcement

GAAP – Generally Accepted Accounting Principles

GMO – Grants Management Officer

GMS – Grants Management Specialist

HHS – Department of Health and Human Services (<http://www.hhs.gov>)

IRB – Institutional Review Board

NAICS – North American Industry Classification System (<http://www.census.gov/eos/www/naics>)

NCTE – No-Cost Time Extension

NOA – Notice of Award

NIH – National Institutes of Health (<http://www.nih.gov>)

OMB – Office of Management and Budget (<http://www.whitehouse.gov/omb>)

PI – Principal Investigator

PD – Project Director

PGO – Procurement and Grants Office of the CDC (<http://www.cdc.gov/about/business/funding.htm>)

P.L. – Public Law

PMS – HHS Payment Management System

PO – Project Officer/Program Official

RFA – Request for Application

SAM - System for Award Management

SF – Standard Form

SPOC – Single Point of Contract

Appendix B: Definitions

Allowable Cost – a cost incurred by a recipient that is reasonable for the performance of the award; allocable to the grant or cooperative agreement to which it is charged; in conformance with any limitations or exclusions set forth in the federal cost principles applicable to the recipient's organization or in the NOA; consistent with recipient policies and procedures; accorded consistent treatment; and determined in accordance with GAAP. See [OMB Circulars A-21, A-87 and A-122](#), [45 CFR Part 74, Appendix E](#), and [FAR 31.2](#)

Application – a request for financial support of a project/activity, submitted to CDC through [Grants.gov](#)

Appropriated Funds – funds authorized by an act of Congress and signed by the President that provides authority to permit federal agencies to incur obligations or to make payments out of the treasury for specified purposes

Approved Budget – the financial expenditure plan (as shown in the NOA) including any revisions approved by CDC for the grant-supported project. The approved budget may consist of federal grant funds and/or non-federal funds

Award – the provision of funds or direct assistance in lieu of funds based on an approved application and budget to provide general financial assistance to a recipient to carry out an activity or program

Budget Period – the interval of time (usually 12 months) into which the project period is divided for budgetary and funding purposes

Carryover Balance – unobligated grant funding from a previous funding period that is authorized for use to cover allowable costs in a current funding period

CCR – Central Contractor Registration is the primary registrant database for the U.S. Federal Government. CCR collects, validates, stores and disseminates data in support of agency acquisition missions. Registry is required for all grantees prior to grant application. This database will move to a new system called the "System for Award Management" (SAM) in the near future

Closeout – the process by which CDC determines whether all applicable administrative actions and all work required by the grant have been completed by the recipient and the awarding agency for a project

Collaborative Agreement – a simplified, culturally specific, approach to funding and technical assistance for public health programs

Cooperative Agreement – a grant in which substantial federal involvement with the recipient during performance is anticipated. The difference between grants and cooperative agreements is the degree of federal programmatic involvement rather than the type of administrative requirements imposed

Cost Objective – a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred, i.e. products, jobs, cost of process

Corrective Action Plan – a formal, approved methodology used to address and to prevent specific problems that have occurred during a grant

Direct Assistance – a financial assistance mechanism whereby goods and/or services are provided to grantees in lieu of cash. Direct assistance generally involves the assignment of federal personnel or the provision of equipment or supplies such as vaccines

Direct Cost – any cost that can be identified with a particular program, project, or other cost objective. (e.g., project, program)

Disallowed Cost – a proposed cost that the GMO/GMS has determined to be unallowable

DUNS Number – A unique nine-digit number which uniquely identifies business entities issued by Dun and Bradstreet

Entity – all of the following:

- A governmental organization, which is a State, local government, or Indian tribe
- A foreign public entity
- A domestic or foreign for-profit organization
- A federal agency, but only as a subrecipient under an award or subaward to a non-federal entity

Equipment – an article of personal property which is complete in itself, or durable in nature, with an expected service life of one year or more, which does not ordinarily lose its identity or become a component part of another article when put in use. Any item with an acquisition cost of \$5,000 is accountable property. Lower cost limits may be determined in accordance with the grant

Expanded Authorities - operating authorities provided to recipients that waive the requirements for prior approval for specified actions, including but not limited to, carryover of unobligated balances, pre-award costs and initial no-cost time extensions of up to 12 months. If applicable, these expanded authorities will be specifically identified in the terms and conditions of the award

Federal Financial Report, SF425 – the Federal Financial Report for grantee financial accountability. This report may be quarterly, semi-annual, or annual depending on the Terms and Conditions in the NOA

First Tier Sub-award – an award greater than \$25,000 made directly to an entity by a grantee receiving federal assistance

Grant – An executive agency shall use a grant agreement as the legal instrument reflecting a relationship between the United States Government and a State, a local government, or other recipient when—

(1) The principal purpose of the relationship is to transfer a thing of value to the State or local government or other recipient to carry out a public purpose of support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government

(2) Substantial involvement is not expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement

Note: CDC does not issue grants to individuals.

Grantee/Grant Recipient - the organizational entity or individual to whom a grant or cooperative agreement is awarded and is responsible and accountable for the use of the funds provided for the performance of grant-supported activities

Grants Management Officer (GMO) - The GMO is the Government official formally warranted by the Agency to obligate funds and award or amend grant(s) or cooperative agreement(s). The GMO is the only official warranted to sign the award and all amendments to the award, committing the United States to the terms and conditions of the grant or cooperative agreement. The GMO is the official ultimately responsible for all matters associated with the review, negotiation, award, and administration of grants and cooperative agreements assigned to him or her. The GMO also interprets and applies grants administration policies and provisions. He/she works closely with the federal project officer or program official, who is responsible for the scientific, technical, and programmatic aspects of the grant

Grants Management Specialist (GMS) - a CDC staff member who oversees the business and other non-programmatic aspects of one or more grants and/or cooperative agreement(s)

Indirect Cost - any cost that is not directly associated with a single, final cost objective but is identified with two or more final cost objectives that are necessary to the operations of the organization. For example, the costs of operating and maintaining facilities and depreciation

Matching or Cost Sharing - the value of allowable third party in-kind contributions and the allowable costs of a federally-assisted project or program not borne by the federal government

Monitoring - the process whereby the programmatic and business management performance of a grant are reviewed and evaluated

Noncompeting Continuation Application/Award – a financial assistance request (in the form of an application or performance/progress report) or resulting award for a subsequent budget period within a previously approved project period for which a recipient does not have to compete with other applicants. Notice of continuation must be made through the issuance of a revised NOA

No-Cost Time Extension (NCTE) – A noncompetitive extension of time to the final budget period of a competitive segment, without additional federal funds, to complete the work approved under the original scope of the financial assistance award

Obligations – funding amounts for which the recipient has made binding commitments for orders placed for property and services, contracts and sub-awards, and similar transactions during a funding period that will require payment during the same or future period

Outlays or Expenditures - charges made to the CDC sponsored program, which may be reported on a cash or accrual basis

Project Officer - the OPDIV official responsible for the programmatic, scientific, and/or technical aspects of assigned applications and grants

Prior Approval - the written permission provided by the CDC GMO before the recipient may deviate from the approved budget and program plans

Program - a coherent assembly of plans, project activities, and supporting resources contained within an administrative framework whose purpose is to implement an organization's mission or some specific program-related aspect of that mission

Progress Report - a recipient report containing the comparison of actual accomplishments to objectives established for the period. If the output of the project can be quantified, a computation of the unit of output may be required

Project Period - the total time for which support of a project has been approved. A project period may consist of one or more budget periods. The total project period comprises the original project period and any extensions. This project period is typically five years or less excluding a no cost time extension or a competitive continuation

Redirection - redirection of funds occurs when the grantee determines that a project can be improved if approved funds are moved from one budget category to another within the current budget period. Under certain conditions, redirection of funds must be approved by the GMO. Check the Terms and Conditions of the grant to determine when permission to redirect funds is required

Restricted Cost or Funding Restriction - funding restrictions are activities for which federal funding cannot be used unless the GMO issues approval

Revised Budget - a revised budget is a budget that is typically required prior to the issuance of the NOA. It may be submitted by the applicant because it represents a change of the applicant's original, proposed funding plan

Sub-award - a legal instrument to provide support for the performance of any portion of the substantive project or program for which the grantee received the award and the grantee awards to an eligible sub-recipient

Substantive Programmatic Work - the primary project activities for which grant support is provided and/or a significant portion of the activities to be conducted under the grant

Sub-recipient – an entity that receives a sub-award from a prime grantee and is accountable to the prime grantee for the use of federal funds provided by the sub-award, 2 CFR Part 25

Supplement Not Supplant – A form of maintenance-of effort requirement generally provided in statute that specifies that federal funds received may not be used to reduce the amount of State, local, or other funds previously spent for the same or similar purposes. The baseline for a "supplement-not-supplant" requirement may be the recipient's previous fiscal year or another baseline year or period

Suspension - a temporary withdrawal of the grantee's authority to obligate grant funds pending corrective action by the grantee as specified by CDC or a decision by CDC to terminate the grant

Termination - permanent withdrawal of a grantee's authority to obligate previously awarded grant funds before that authority would otherwise expire, including the voluntary relinquishment of that authority by the grantee

Terms of Award - all legal requirements imposed on a grant by the federal government, whether by statute, regulation, or terms in the grant award document. Each NOA may include both standard and special provisions that are considered necessary to attain the objectives of the grant, facilitate post-award administration of the grant, conserve grant funds, or otherwise protect the federal government's interests

Unliquidated Obligation - on a cash basis, this is the amount of obligations incurred by the recipient that has not been paid at the close of the budget period. On an accrued expenditure basis, it is the amount of obligations incurred by the recipient for which an outlay has not been recorded

Unobligated Balance - that portion of the funds awarded by CDC that has not been obligated by the recipient at the close of the budget period and/or project period